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Feb. 2002

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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$14.50 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.51 /LB

EFFECTIVE MARCH 1, 2002:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.50 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 15.1 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.51.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.84 /CWT

Average spray process dry milk solids

price per pound = \$0.94875
Multiplied by 8.2 x 8.2

\$7.77980

\$7.77980

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.22800
Multiplied by 4.2 x 4.2

\$5.15760

+ \$5.15760

LESS a make allowance of 8.5% (\$12.9374 X .085)

\$12.93740

- \$1.09968

\$11.83772

Rounded to the nearest whole cent = \$11.84 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$1.36 /LB**

Last quote of the month for Grade AA butter			
minus a differential of \$.0895	=	\$1.22800 X .111)	= \$0.13631
Rounded to the nearest half cent			= \$0.136

Butterfat value per pound	
for milk at 3.5% test:	\$1.36

Hundredweight price of milk testing 3.5%	=	\$11.84
LESS 3.5 pounds of butterfat at	\$1.36 per pound	- \$4.760
Value of 96.5 pounds of skim	=	\$7.080

CLASS II VALUE OF
ONE POUND OF SKIM

7.080 / 96.5 pounds)	=	\$0.07337 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.12 /CWT**

3.5 pounds of butterfat	\$1.11 per pound =	\$3.885
96.5 pounds of skim	\$0.06457 per pound =	\$6.231
		<u>\$10.116 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.11 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	= \$1.22800
LESS 10%	- \$0.12280
	<u>\$1.10520</u>

Rounded to the nearest whole cent	=	\$1.11 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.45719 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.94875
Multiplied by 8.2	<u>8.2</u>
	\$7.77975
LESS 17%	<u>\$1.32256</u>
	\$6.45719

Rounded to the nearest whole cent	=	\$6.46 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.50 FOR 3.5% MILK 96.5 LBS = \$9.215		CLASS II SKIM PRICE BASED ON \$11.84 FOR 3.5% MILK 96.5 LBS = \$7.080		CLASS III SKIM PRICE BASED ON \$10.12 FOR 3.5% MILK 96.5 LBS = \$6.231	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09451	2.50	\$0.07262	2.50	\$0.06391
2.55	\$0.09456	2.55	\$0.07265	2.55	\$0.06394
2.60	\$0.09461	2.60	\$0.07269	2.60	\$0.06398
2.65	\$0.09466	2.65	\$0.07273	2.65	\$0.06401
2.70	\$0.09471	2.70	\$0.07276	2.70	\$0.06404
2.75	\$0.09476	2.75	\$0.07280	2.75	\$0.06407
2.80	\$0.09480	2.80	\$0.07284	2.80	\$0.06411
2.85	\$0.09485	2.85	\$0.07288	2.85	\$0.06414
2.90	\$0.09490	2.90	\$0.07291	2.90	\$0.06417
2.95	\$0.09495	2.95	\$0.07295	2.95	\$0.06421
3.00	\$0.09500	3.00	\$0.07299	3.00	\$0.06424
3.05	\$0.09505	3.05	\$0.07303	3.05	\$0.06427
3.10	\$0.09510	3.10	\$0.07307	3.10	\$0.06431
3.15	\$0.09515	3.15	\$0.07310	3.15	\$0.06434
3.20	\$0.09520	3.20	\$0.07314	3.20	\$0.06437
3.25	\$0.09525	3.25	\$0.07318	3.25	\$0.06441
3.30	\$0.09529	3.30	\$0.07322	3.30	\$0.06444
3.35	\$0.09534	3.35	\$0.07325	3.35	\$0.06447
3.40	\$0.09539	3.40	\$0.07329	3.40	\$0.06451
3.45	\$0.09544	3.45	\$0.07333	3.45	\$0.06454
3.50	\$0.09549	3.50	\$0.07337	3.50	\$0.06457
3.55	\$0.09554	3.55	\$0.07341	3.55	\$0.06461
3.60	\$0.09559	3.60	\$0.07344	3.60	\$0.06464
3.65	\$0.09564	3.65	\$0.07348	3.65	\$0.06467
3.70	\$0.09569	3.70	\$0.07352	3.70	\$0.06471
3.75	\$0.09574	3.75	\$0.07356	3.75	\$0.06474
3.80	\$0.09579	3.80	\$0.07360	3.80	\$0.06477
3.85	\$0.09584	3.85	\$0.07363	3.85	\$0.06481
3.90	\$0.09589	3.90	\$0.07367	3.90	\$0.06484
3.95	\$0.09594	3.95	\$0.07371	3.95	\$0.06487
4.00	\$0.09599	4.00	\$0.07375	4.00	\$0.06491
4.05	\$0.09604	4.05	\$0.07379	4.05	\$0.06494
4.10	\$0.09609	4.10	\$0.07383	4.10	\$0.06498
4.15	\$0.09614	4.15	\$0.07387	4.15	\$0.06501
4.20	\$0.09619	4.20	\$0.07390	4.20	\$0.06504
4.25	\$0.09624	4.25	\$0.07394	4.25	\$0.06508
4.30	\$0.09629	4.30	\$0.07398	4.30	\$0.06511
4.35	\$0.09634	4.35	\$0.07402	4.35	\$0.06515
4.40	\$0.09639	4.40	\$0.07406	4.40	\$0.06518
4.45	\$0.09644	4.45	\$0.07410	4.45	\$0.06521
4.50	\$0.09649	4.50	\$0.07414	4.50	\$0.06525

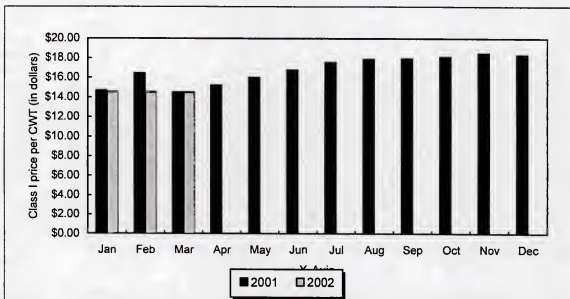
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2001 and 2002

Statistics from the Montana Milk Control Bureau

Month	2001	2002	Difference	% Change
January	\$14.68	\$14.53	(\$0.15)	-1.02%
February	\$16.43	\$14.51	(\$1.92)	-11.69%
March	\$14.49	\$14.50	\$0.01	0.07%
April	\$15.20			
May	\$15.99			
June	\$16.76			
July	\$17.54			
August	\$17.89			
September	\$17.95			
October	\$18.11			
November	\$18.48			
December	<u>\$18.31</u>			
Average	\$16.82	\$14.51	(\$0.69)	-4.21%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

DECEMBER 2001: class I = \$10.38; class II = \$1.23; Class III = \$3.42; total = \$15.02

(calculations based upon utilization percentages of butterfat & skim)